

# insight

January 2017

## TRAVELOGUE TO ITALY

*Romita Munshi*



## SHOWCASE

*Ramki Sankaranarayanan*



## WATERING HOLES AROUND AMBIT

*Sudeep Pai and  
Pranav Desai*

## WHEN THE NOTEWORTHY DIDN'T HAVE ANY NOTE

*Bihari (B)*

PUZZLE ●



● DELHI OFFICE





## CEO SPEAK

Ashok Wadhwa

Winds of change are coming and in their wake they will usher in a new order.

18 months ago at the 2015 Ambit Board of Directors offsite, Chairman Ashwini Kakkar spoke about a new order in the world starting with Brexit, followed by the election of President Trump and Marine Le Pen in France. At that time it looked a bit far-fetched, that the world as we know would change so much in such a short span of time. However, here we stand at the start of a new year, having witnessed events which have irrevocably transformed countries across the globe, over the past year.

The markets discounted both Brexit and the Trump victory sharply. However, in a short while they accepted this as the new normal and bravely surged ahead. As time passed, people accepted that Donald Trump the Republican candidate will probably not define the path for Donald Trump, the President of the United States of America.

Closer home, our country is going through its own transformation. Ambit was the first to predict that in its war against black money and tax avoidance, the government may demonetise 500 and 1000 rupee notes. Few months later, we are amidst a currency exchange and accounting exercise of an unprecedented nature in its scale and ambition. This event will have profound economic, social and political impact.

In a report in November 2016, Ambit Capital had cut their FY18 GDP growth estimate from 7.3% to 5.8% YoY. As a response to the slowing GDP growth, they envisaged the RBI to consider rate cuts of 25-50bps over 2H FY17 itself. This crackdown on black economy coupled with the GST rollout, is going to bring a formalisation effect and translate into expanded market shares for the organised sector. From FY19 onwards the true structural benefits of lower cost of capital and of real estate will bear fruit.

And if change is affecting everyone how can we remain unaffected.

In September 2016, Ambit sold the AUM of Ambit Alpha fund to Edelweiss, and made a temporary exit from managing third party money under the

long-short strategy. We have not exited our Asset Management Business as was rumored by some factions. Gaurav Mehta continues to manage our two PMS funds, Core and G&C. We hope to add more AUM and built this into a multi strategy business over a period of time. In end November RBI gave us a license to start the Asset Reconstruction Business in partnership with J.C. Flowers. The launch of Ambit-Portman Real Estate Fund and the stressed asset fund to be launched along with J.C. Flowers will be two of our new initiatives in the Asset Management Business.

Some other important developments since the last edition of Insight –

Institutional Equities had their best month ever, clocking revenues in excess of 7 crore in November'16.

Corporate Finance has announced the signing of one of the largest deals of the year, Brookfield – Reliance Tower transaction, with an Enterprise Value in excess INR 20,000 cr. With this CF will once again break into top ten firms on the league tables.

Principal Investments had a great year in reading the markets and contributing to the P&L.

Private Client Group had a much stronger year and are rapidly building a considerable franchise.

In its journey of the last 10 years, Ambit has diversified from a single product, i.e. Mergers and Acquisitions, to a full service Investment Bank. However, our growth has not been commensurate to our capability. As we come back from the Christmas and New Year break, it is time for us to introspect and determine important next steps that will help us achieve our aspirations.

Change has two different perspectives, winners look at change as an opportunity and many others consider it as a threat. As a perennial optimist, I believe in the positive vision and hope that with your support and assistance we will take Ambit to its deserving destination.

With my best wishes to you and your family for 2017.



**Team Members:** Angela Fernandes, Romita Munshi, Pramod Menon, Gautam Gupte, Shveta Singh, Nirmesh Prakash, Christine D'Mello  
**New Members:** Nitesh Bhadani, Thomas Joseph, Sandeep Sharma **Outgoing Members:** Hitakshi Mehra, Shariq Merchant, Anaya Newgi



## SHOWCASE: AN ENTREPRENEUR'S STORY

Q&A with Ramki Sankaranarayanan,  
Founder & CEO of Prime Focus Technologies



### 1. You are a first-generation entrepreneur. Considering the risks of a start-up, what gave you the courage & conviction to start your own business?

Growing professionally in the IT sector, at a time, when Indian entrepreneurs were building global businesses, gave me a lot of confidence and experience to not only do new things but envision global scale. Central to this IT & ITES industry growth has been the phenomenon of Enterprise Digitization, when classical enterprises gave up paper to become paperless. Interestingly, part of this experience for me was in Global R&D and the intersection of Media & Technology. About a decade ago, when Media & Entertainment (M&E) enterprises began their Digitization journey, migrating from tape (physical media) to tapeless (digital media), I saw a big IT/ITES opportunity.

When it comes to how did I take the risk, it is a combination of things: The power and passion for the idea, timing, finding the investor early and last, but not the least, a supportive family gave me the confidence to take the plunge.

### 2. Please help us understand your business in layman's terms. An example of how PFT helps a TV broadcaster would be ideal.

In simple terms, PFT's flagship product, CLEAR™, can be equated to the likes of SAP and Oracle in the conventional ERP business arena which help digitize the way business gets done. Just that, CLEAR is a cloud-based Media ERP software offering a digital way to get things done in the Media & Entertainment sector. A software that will manage the content and the activities to be performed around content for anyone who is in the content business leveraging Cloud.

For a TV broadcaster, the solution digitizes the working within the broadcast enterprise to manage the content and all business activities performed within the enterprise, including creative, marketing, legal, operations, sales and distribution departments.

### 3. You started your business with a core management team; how did you go about picking and convincing this team?

Like many start-ups, we started lean. Ganesh Sankaran, a fellow BITSian (alumnus of Birla Institute of Technology and Science, Pilani) and a childhood friend, shared my passion for the idea of technology firm, and joined me as co-founder. Though the initial team did not have any Media expertise, they understood the disruption the idea can create in the cusp of Media & Technology. The association with Prime Focus brought instant credibility in the Media domain, which helped as the team recognized that they were bringing in the key technology expertise. Since then, there has been no looking back. We have been growing slowly, but steadily, and today, have a team of over 2,500 dedicated professionals working across the globe.

### 4. Please share your experience of raising PFT's first round of capital from a strategic investor - Prime Focus Group.

In 2007, I re-connected with an erstwhile customer, Namit Malhotra, who is the Founder, Executive Chairman & Global CEO of Prime Focus. Namit saw immense potential in the idea and my vision of creating a media-tech solution and felt that the technology business would perfectly work well and complement Prime Focus' creative business. I happily accepted his offer of investment as it gave me a strong strategic partner with an existing customer base and an established brand name that could help across the

M&E industry. Thus was born Prime Focus Technologies (PFT), which has grown from strength to strength and, today, has emerged as one of the most successful product companies in India in the M&E space. In hindsight, joining forces with Prime Focus Group was an excellent decision.

### 5. How's the experience of selling an Indian software product in the developed markets - Americas & Europe?

Running a product company from India was one of the things we were paranoid about the most. Interestingly, in 2008, there were 3 technology discontinuities at work – migration of Standard Definition TV to High Definition TV, tape to digital and the beginning of multi-platform (what we call Digital/OTT today) content consumption. The western markets jumped to HD migration with tape-based workflows ahead of PFT getting started. In the initial years, the focus of technology the western markets sought was predominantly in the content management area and not to change the way the business was getting done.

India, as a market, skipped a few technology generations and embraced the idea of using one technology to embrace enterprise digitization on the back of content being born digital. The experience of operating in India successfully for the first few years gave us the Software Media ERP capability to go West and make a compelling value proposition.

Over the years, our persistent efforts engaging clients have started to earn us the credibility and trust of clients in Europe and Americas. PFT's acquisition of the Primetime Emmy® award winning DAX® Digital Asset Management software in 2014 also helped accentuate this with Studios producing content and set the course for our strategic expansion in North America. Central to the journey has been our innovation, flexibility and agility, and offering clients a smarter way to operate their business.

### 6. Star TV was one of your early wins. Which areas does PFT support Star in and how has Star helped PFT in establishing their business?

I can talk about this for hours. Will try to keep this brief. In 2011, when no other broadcaster was even willing to talk about the Cloud, Star India saw merit in PFT's vision of deploying Media ERP to virtualize the content supply chain and engaged us to deliver their 'Go Digital' program. Star is known for doing things differently and has always paved way for innovation in the industry so I was really not surprised that they were bold enough to try something that is path-breaking.

Our relationship with Star has grown over the years, and today, PFT also powers content for Hotstar (their OTT platform), creates on-air promo campaigns for the network and streams live content onto the Starsports.com portal using an industry-first Internet Protocol (IP) workflow. We are extremely proud to have helped Star cut costs by as much as 30% and increase efficiencies by 40%, while enabling them to realize new monetization opportunities, and achieve faster time-to-market with lower TCO (Total Cost of Ownership). Our strategic relationship with the network has clearly demonstrated the benefits of Media ERP, setting an example for other broadcasters to follow. The association has helped us gain immense credibility in the market, which in turn helped us win many more clients. And like any engagement, two hands are needed to clap and I am very fortunate to have an excellent leadership team to support us at every step of the way.

### 7. What's your message to young entrepreneurs reading Ambit's Insight?

Think big. Think bold.

And always maintain a customer-centric approach and consistently ask yourself one question - are you effectively solving the client's problems? Never stop paying attention to details, and remain agile and flexible at all times.

*Ambit Pragma Fund II is an investor in PFT.*

## WHEN THE NOTEWORTHY DIDN'T HAVE ANY NOTE

By Bihari (B)

When Thomas Jefferson said, "All men are created equal", he didn't think that one day Indian ATM queues will become an ode to his prose. On the night of 8th November as the scrapping of notes news broke across channels, I scurried around the cash at home and got a grand total of 450 rupees. And no, I did not feel crushed. I was just glad it was not 420, as that would have been particularly embarrassing.

Anyways, as I would discover the next day at work, most of my notable colleagues were not of any note anymore. I dragged myself to office and grumpily complained to my neighbourhood Bengali (the other B) about the unfairness of it all. She was particularly happy that her fishmonger had agreed to extend her a line of credit. Amidst this chatter, we saw the entire HR team surreptitiously yet ecstatically walking out, like they had finally found the perfect candidate who could do everything under the sun without any salary expectations.

I followed them to the lobby and witnessed an unusual sight. The generally 'busy saving the world, no time to smile, no time to eat, and no time to see time' bankers queuing up outside the usually neglected ATM. The chatter was an economics, numismatics, mathematics, political science and criminal jurisprudence master class.

I was seriously worried that by the time I reached the ATM, the discounted cash value of my money would be half. I spotted the ever polite lady from accounts in the queue. The lady who kindly doles out our salaries and cash for office expenses, was waiting in the queue. Tsk Tsk, "Such is life" I said in my most poignant voice. Most engineers who later became investment bankers, finally found use of the math they learned at engineering colleges. They were seen feverishly calculating various permutation and combinations of withdrawal amounts to get 100 rupee notes and discussing the probability of getting cash based on their position in the queue. They did make me believe that any kind of education never gets wasted.

The handsome and bearded Pranav from wealth lamented that his beard grew longer while waiting for cash. The melodious voiced Parimal, from compliance, very smartly told his friend (yes compliance does have friends) to keep his place and jaunted away for some fire fighting (at least that's what he wanted the people in the queue to believe). We also saw many Ambit alumni queuing and jostling to come back to Ambit. Once again when HR got happy at the prospect of not having to pay placement consultants, they realised that alumni queues were to withdraw money from the Ambit House ATM.

I was also told that a senior banker from the bank whose ATM is stationed in Ambit House, called to check if he could withdraw cash from our ATM. Such is the magnetism of the Ambit House ATM that every person passing it, now peers inside out of habit. It has become the new melting pot of Ambitians.

Amidst the din, I spotted the towering Pramod Menon, looking visibly aghast at the prospect of standing for an hour. He suddenly got a call from Big Boss (that's what he wanted us to believe). However, money has great power and can make even mere mortals very brave. Everyone in the queue stared at him with an expression on their face implying, "Dude you shall not jump the queue, so please pardon us the 'urgent call from Big Boss' excuse."

I am told that disillusionment is so high, that no one is using the phrase 'take note' in meetings, as it is making random people break into bursts of uncontrollable sobs. Since November 9th the ATM machines have become the biggest levellers.

May we not live in interesting times after December 30th.

You humble office Bihari (B)







## LEARNING AND FUN - DOWN MEMORY LANE

By Dhruvi Kanabar

I distinctly remember the first time I stepped into Ambit house (then RSM-Ambit house), even before the inauguration of the building, as a child with my father (who worked with Ambit earlier). Seeing a space transition from a bare-shell to a full fledged one gives you a sense of deep connect to the area and that is exactly how I feel at Ambit house. Fast forward to 2014; I had freshly graduated from my MBA course and was contemplating options when I came to Ambit house for an interview with my colleague, Sushant Bhansali. While there was a feeling of warmth from the known surrounding, there was also a lot of apprehension on how to develop new relationships from scratch and be recognized as a professional and create an individual identity.

In the two years plus that I worked at Ambit, let me tell you, I have learned that nothing but your work is the building base for your relationships and image. Working with Sanjay Sakhuja and Sushant Bhansali in the Principal Investment set up, which was still evolving, was a roller-coaster ride (albeit, a super enjoyable and rewarding one!). There was no way to describe an 'average day' with the team. You could be at a long team lunch at Willingdon Club on one day and be working on an investment thesis till midnight on another and be out at conferences on another. There were a few factors that kept the team bonded: Sanjay's calm nature (yes, even in the midst of a market crash!!); Sushant's positive attitude (yes, I can safely say that my knowledge repository of Bollywood songs increased around Sushant!) and the independence the team offers to let individuals make their own decisions. The stellar performance by the Principal Investments team over the last two years is amongst many things, a reflection of its brilliant culture and work ethos (yes, there was a fair bit of luck involved with the markets and Modiji working in our favor!). The discussions at weekly meetings (accompanied by delicious nespresso coffee at Sanjay's cabin) were backed with significant fundamental and technical research on a macro as well as micro level. I believe that the small team set up worked fabulously in my favour: it pushed me harder and deeper since there was no place to hide. Ownership of your ideas and responsibility is the ethos of this team.

Work apart, I have enjoyed meeting such a mix bag of individuals! From getting diet tips from Rahul Gupta to brand, culinary and partying updates from Siddharth Kharabanda; from PR sessions by Shveta Singh to bargaining and negotiation sessions with the CF analysts (the 'chintus'); Hindi lessons from Rajat Mudgal and Sameer Alodia to confiding and friendship in Romita Munshi and Priya Jatia; from patience and 'lungi dance' by Pramod Menon to discussions over Chai with Jagat Dave, from motivation from Sundeep Parate to warmth and kindness by Rochelle Pereira, I have assimilated a plethora of skills at Ambit and I will cherish and take them with me as I move on.....

## THE ART AND SCIENCE OF BEING A MOTHER WITH A CAREER

By Priyanka Jain

Work-life balance is a word that comes up often in the context of a working mother. My personal feeling is that it is a pertinent subject for every working person. The topic is very subjective and everyone has their own definition of work-life balance. In this article, I would like to share some of my experiences of handling work on the office and home front.

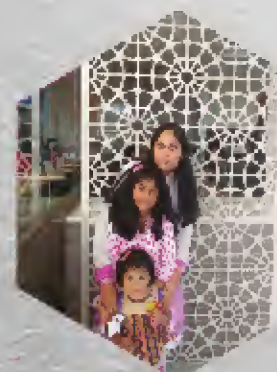
When I decided to have a second child, there was a lot of anxiety about how I was going to handle the pressures of office and home. In my mind, however, I knew I would be able to manage matters within the existing limitations. Having already gone through the experience with my first child, I was probably more prepared physically and emotionally. Winning the emotional battle was the first thing, which I could manage by taking shelter under one of Ambit HR's policies i.e. you can attend office for half a day for three months with pay adjustments. I opted for the arrangement and it worked (more emotionally, as you feel relaxed on seeing your child is happy and fine after leaving him/her for 6 hours, and now you are ready to take a few calls from home and work again).

As time went by, I prepared myself emotionally to spend more time in office. I started working full time within two months of my rejoining. I believe the choice of continuing work is a person's own, and hence, the ownership of work deliverables also lies with the same person. So it is the individual's responsibility to make the required adjustments between work and personal life. I was fortunate to be surrounded by wonderful colleagues (and I continue to be lucky), who include not only members of the compliance and legal teams but also people from business, operations and other support functions. All of them used to adjust their other meetings to help me reach home on time in the evening in the initial few months. No team dinners were planned for a few months only because of me.

Most of my travel time was used for making official calls so that my time in office could be utilized in a better way. This gave rise to certain issues on the personal front, as many of my extended family members were unhappy with me for not being available even on phone calls.

Handling matters at home is equally challenging for me as we belong to a nuclear family. I could fulfill my duties only due to my husband's support and his belief that both of us are equally responsible and there are no fixed roles regarding what he should do and what I should do. We are used to of dividing our tasks - right from changing nappies to making kids eat their food, doing their homework to grocery, shopping, etc - on a daily basis, depending on our respective office schedules.

So, there are no fixed methods and you must do whatever you feel is essential to balance official and personal schedules. For instance, to pacify my kids on several occasions, I've had to distort Parimal's image in their minds. He is a wonderful colleague and a great person. However, I have blamed him many times to mollify my children, especially when I've had to take some urgent calls at home or I've reached home late. Once, he even had to speak with my elder daughter and offer explanations. Although we laughed every time this has happened, I really want to thank him for being so understanding. To conclude, I would just say that my battle to strike a balance between home and office will go on till my kids are adults, but I strongly believe that destiny will provide solutions to every problem.







## THE SIGNAL IN THE NOISE

By Ritika Mankar

The demonetisation-driven cash crunch that is playing out in India will create short term economic pain in the form of (1) the transactional hit created by a hard cash deficit and (2) the structural hit to non-tax paying businesses that become unviable. However as we move further away from this event, the Modi-led Government's larger crackdown on black money and the Government's resolve to check tax evasion will yield two distinct sets of benefits namely (1) lower cost of capital and (2) higher flows into the financial services sector. Also, as the informal sector shrinks on the back of a crackdown in the black economy and on the back of GST implementation, the formal organised sector is likely to gain market share as a 'formalisation effect' comes into play from next year onwards. This article describes in greater detail these complex set of effects that the demonitisation event will trigger in the short to long run.

The decision to demonetise the 500- and 1,000- rupee notes has created an immediate impact in terms of creating a shortage of hard currency. Data suggests that 87% of all transactions in India in FY12 were executed in cash form and ~83% of transactions in India are likely to have materialised in cash form in FY17. To complicate matters, our calculations suggest that a cash deficit of Rs. 8.5tn is likely to materialise in 3Q FY17 as the pace of cash disbursements does not keep pace with the overnight destruction in value of Rs.14tn.

Thus, in a cash-based economy where ~83% of transactions materialise in the form of cash, a cash deficit to the tune of Rs 8.5tn or 5.7% of GDP is expected to materialise in 3Q FY17 and continue into 4Q FY17 (albeit to a lesser extent). This then, is bound to have a paralysing effect on economic activity levels in the short term.

The informal sector accounts for more than 40% of India's GDP and provides employment to close to 80% of the labour force. Whilst it is

difficult to capture details regarding the profit margins of businesses in the informal sector, we assume that from 3Q FY17 to 4Q FY19 the share of the informal economy in India shrinks from 40% to 20%. This shrinkage of the informal sector is likely to result in a short term adverse effect as the informal sector is no longer able to employ the numbers that it did.

However, as the informal sector shrinks on the back of a crackdown in the black economy and on the back of GST implementation, the formal organised sector is likely to gain market share as a 'formalisation effect' comes into play from next year onwards. The formal sector accounts for 60% of India's GDP today. We assume that from 3Q FY17 to 4Q FY19 the share of the formal economy in India expands from 60% to 80%.

Furthermore, the sustained crackdown on black money will prevent people from parking their savings in physical assets such as gold and real estate. This should boost the flow of savings into the financial system by a significant extent. This in turn should spell a higher influx of flows for financial services providers such as banks, NBFCs and stockbrokers.

Most importantly, as the quantum of financial savings increases, the cost of debt capital in India should fall. Our analysis suggests that as the quantum of India's savings increases by ~4% of GDP over FY17-FY20, lending rates are likely to fall by ~350bps assuming that investments as a percentage of GDP remain constant during this period.

Thus whilst the ongoing changes are likely to engender painful side effects in the short term, the long term benefits of the Modi-led Government's crackdown on tax evasion and black money are undeniable.



## OF NAME PLATES, PEOPLE AND THINGS - AMBIT DELHI

By Ambit Delhi Team

Today, we at Ambit Delhi, are sitting in a brand new and comfortable work place. The journey of Ambit's Delhi office from a small & cramped office to a modern & spacious office is all due to the efforts put into by Suresh Adhikari and support from our Head Office in Mumbai.

From the initial planning to the final set up – everything was done as if by a magic wand. With extreme selflessness, dedication and push – we walked into a brand new office on 31<sup>st</sup> October, 2016 with awe and a BIG WOW!

We left the office on Friday evening with cartons of files, stationery and other belongings spread in an unkempt way without a thought of extending a helping hand to Suresh.

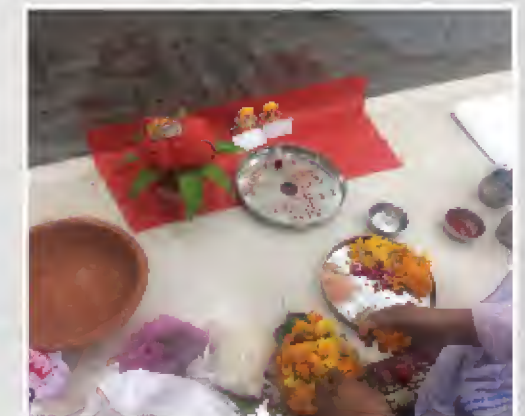
Over the weekend and through the wee hours of the mornings – telephone lines, internet connections, a secluded workplace for the trading section, workstations, filing cabinets, pantry, conference rooms, reception, server room and a balcony to relax a tense mind, were put in place with no reason to complain.

Due to excellent PR skills – Suresh was able to get MTNL, Reliance and other service providers to work through the weekend to ensure that business, in particular Trading, did not suffer and this is exactly what happened.

The formal inauguration of the new premises was held on 28<sup>th</sup> October, 2016 with a Puja and Havan.

With additional space and meeting rooms, our colleagues from all over can comfortably invite their clients for meeting over a selection of coffee, tea and biscuits.

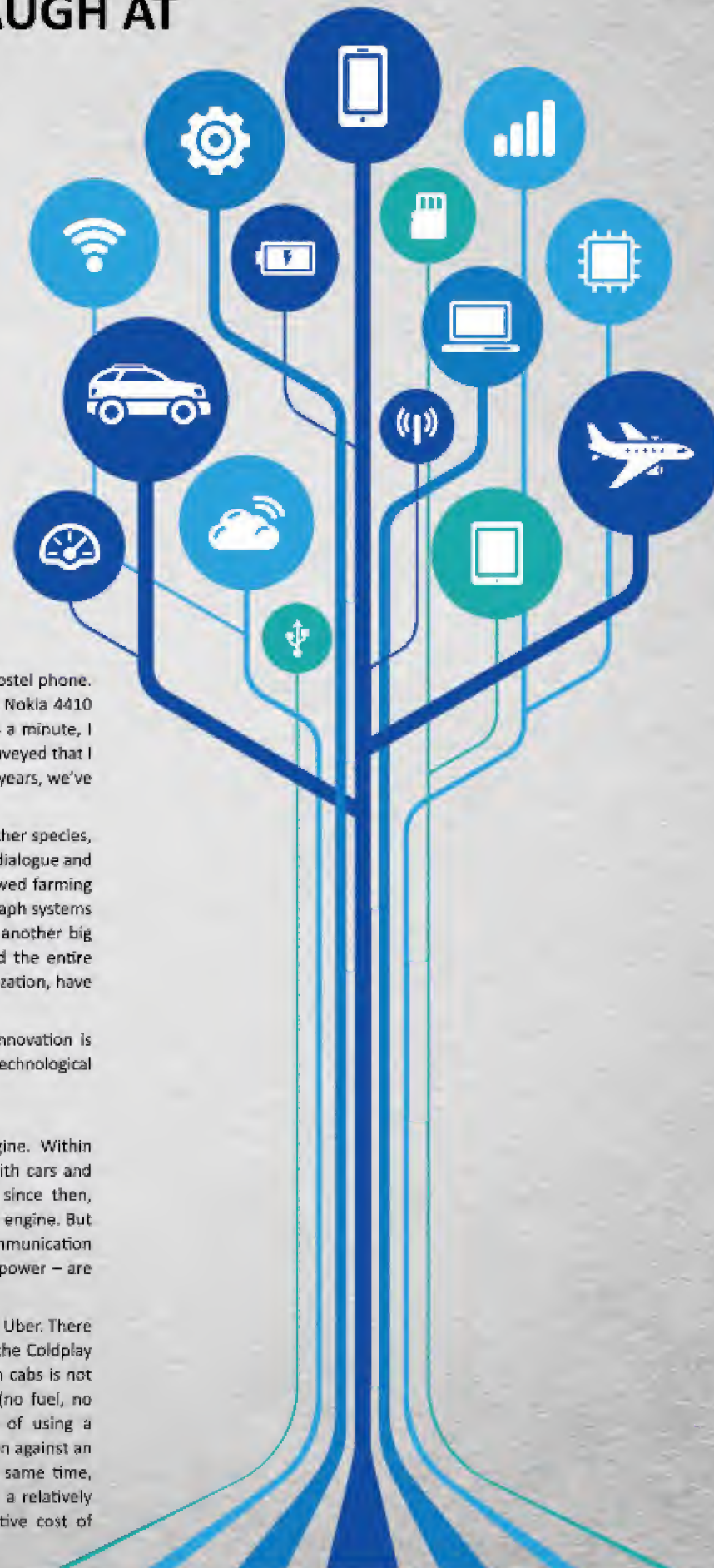
Thank you AMBIT for making Delhi office a better place.





# THE COMMUNICATIONS REVOLUTION - LAUGH AT EXPONENTIAL TECHNOLOGIES, BE THE CLOWN

By Raman Jauhar



On 17<sup>th</sup> August, 2003 I got independence from the solitary hostel phone. In an era when cash was still fashionable, I bought myself a Nokia 4410 against nine crisp 500's. But with calling rates at 8 rupees a minute, I could only opt for the missed call plan - two rings to mom conveyed that I was alive while two to dad called for more money. Within 15 years, we've reached a point where even video calls can be made for free.

Among the factors that give puny humans supremacy over other species, communication efficiency is the foremost. Language enabled dialogue and gossip that bonded the hunter-gatherers, written script allowed farming settlements to sprout into kingdoms and empires, and telegraph systems united the post-industrial world. The last two decades saw another big leap as internet and personal computing devices connected the entire world. Most efficiencies attained in this era, including globalization, have been driven by improved communication.

However, as this phase begins to plateau (that our latest innovation is 'Snapchat' goes to show that we are past our prime here), the technological bandwagon is now moving on to its next target.

## THE NEXT FRONTIER

150 years ago, we invented the internal combustion engine. Within decades, horse carriages and bullock carts were replaced with cars and trucks. Personal vehicles have gotten better and cheaper since then, though the industry hasn't seen a paradigm shift since the IC engine. But three tailwinds - ride hailing apps (offshoot of the communication revolution), changing energy source and greater computing power - are now at the verge of disrupting the way we move.

My wife and I sold our car six months back, deciding to rely on Uber. There have been moments of agony (like the hour-long wait after the Coldplay concert), but broadly the experiment has worked. Relying on cabs is not only a low capex model, but is operationally cheaper too (no fuel, no parking, no maintenance and no driver). The economics of using a personal car for 15 hours a week has a diminishing justification against an Uber cab doing those many hours every single day. At the same time, crude oil prices have come off, making vehicle depreciation a relatively bigger cost-head in the transportation bill. A higher effective cost of



vehicle ownership makes cabbage an even more lucrative option. As the model refines further, expect more riders to opt out of vehicle ownership. This will lead to a virtuous cycle of higher demand pulling in more cab drivers and improved ride sharing infrastructure.

Crude oil is probably never getting back to \$150. With all due respect to OPEC politics, it is a structural shift that started with our improved hydrocarbon extraction capabilities, but the market is also starting to factor in our advancing ability to harness renewables. Solar PV cost has gone down from \$100/W in the 1970s to less than 50 cents, and is projected to head further south. The installed solar capacity is growing 40% per annum; even a 2% share growing at that rate can turn into one-third within a decade. Solar power plants have started coming up and Solar City is helping families to go off-the-grid. One of the technologies being worked on currently is the development of solar road - a smart, energy producing replacement of the idle layer of tar we currently driven on.

Cheaper and more accessible electricity from solar can only mean one thing - the rise of electric cars. In another 10 years, almost all new vehicles sold will be electric. They are 4-5X more energy-efficient and their clean nature means regulation will always be on their side. On top of that, they are super easy to maintain (the number of moving parts in an EV is lesser than an IC vehicle by a factor of 1000; lesser friction results in lower wear and tear). So much so that Tesla provides free maintenance - compare that to the traditional model of expensive servicing and high margin spares. Elon Musk has made EVs cool with Tesla starting to top the fast-car charts.

The last piece comes from autonomous (self-driving) cars. Nautonomy launched autonomous taxi service in Singapore this August and are moving to a more chaotic Boston next. But hand to heart, did any of us, even five years back, anticipate self-driving to arrive earlier than 2030 or 2050 even? The pace at which it has come out is astonishing, but not surprising. Unlike humans that have limited learning from each other, these cars can share intelligence centrally and undergo collective learning. Self-driving cars are computers simply (and sensors and cameras) on wheels, and we all know how quickly computers can become cheap and ubiquitous. Three cheers for Moore's law.

Tesla got some bad press after the first fatal accident of a Model-S on auto-pilot (the driver was watching Harry Potter while that happened), but autonomous cars are still statistically safer than their conventional competitors. As technology keeps improving and more of these roll out (saving the hassle of finding a parking spot is incentive enough to buy one), cars in traffic will probably talk to each other for improved decision-making when in a tight corner. Taking the humans from behind the wheel will be the greatest ever safety feature.

The world of commute, over the next 10-20 years, will change to app-hailed, self-driven electric cars (the flying variety, as envisaged by

Uber Elevate, will be a bonus), possibly with a solar panel to making charging redundant. We will need fewer cars and lesser parking space, decongesting our urban centers. Our air would be cleaner. The virtuous circle will make traveling less of an expensive chore. More people will move to the suburbs, leveling the real estate prices. It is a real revolution.

## ARE WE READY?

Technology delivers opportunities; the scandal hit Volkswagen is redesigning itself around EVs. But it also destroys well set systems as taxi unions across the world are learning first hand. How will Indian companies stack up in this environment? For starters, India's leading car maker Maruti, recently pulled out of EVs and its Chairman Bhargava commented that autonomous cars are not meant for India.

Mr. Bhargava is not alone. Incumbents are the first to laugh off exponential technologies. IBM's "I think there is a world market for maybe five computers" is the most famous example. But the pace of technology adoption can be surprising. When Google-Maps was rolled out in India, most people dismissed it. We thought one can only navigate this country by talking to paanwallahs. Today, seven times out of ten Google predicts the best route with a precise estimation of travel time.

Car makers are not the only ones who need to re-focus. As commute becomes cheaper and communal, what will happen to two-wheelers? Especially hit would be Hero, Bajaj and TVS that provide utility devices and not experience like, say, Eicher's Royal Enfield. What is ONGC's future in a world where renewables take away market share from fossil fuels? When should an IOCL start to evaluate battery charging stations? With autonomous cars on the road, what will become of the vehicle insurance business in the future? How will opportunities from the in-vehicle entertainment evolve once no one will need to keep an eye on the road? The scariest question though, is what will our drivers (and parking lot attendants) do when computers start ferrying us around?

## WHAT WILL DELHI DO?

A lot of these answers will depend on policy. Unfortunately, our track record on change is not the greatest - decapitation remains the easiest prescription for headache. India's lack of public transport infrastructure and taxi/auto monopolies is well-known but when Uber and Ola did what the government couldn't do in 70 years, the instinct has been to ban it.

As manual labor becomes a thing of the past, focus needs to be on skill development and creating an entrepreneurial culture. Given an opportunity, educated and empowered people will create new markets, some of them being as outlandish as the water sommeliers that are curating aqua-parties in London. Technology itself will create new jobs; after all there were no iPhone assembly line workers at Foxconn a few years back.

But the first step in working towards the future is acknowledging the change. And so far, we are not doing a great job of it.





## THE MAN AND HIS MUSE

By Sanjay Main

Sanjay Shivram Main our "Always Smiling" office boy joined AMBIT on 28<sup>th</sup> August, 1999.

Working with Ambit is a great pleasure for me. It feels like being a part of a family. I have got the opportunity to work with different people right from CEOs to Analysts. I have also assisted clients/visitors as and when there has been need.

I have learnt many new things my colleagues have taught me. This has helped me improve my knowledge and develop new skills. Working here has helped me to grow professional and personally.

I have learnt so much in all these years – laughed, faced challenges and also experienced very beautiful moments that will stay forever in my memory.

It has been exciting to work here almost from the very beginning to see and be a part of the company's constant growth and changes.

Sanjay got married in 2004. His wife's name is Siddhi and he is blessed with 2 girls – Nidhi (12 years) and Antara (1.5 years). Sanjay has many friends in Ambit but his very close and dear friend is Vishu (1st floor office boy). His hobbies are playing cricket and reading books.

AIN'T NO  
BLACK MONEY HERE -  
ONLY BOWTIES!!!





# DIWALI PARTY

By Pramod Menon



We didn't realise we were making memories..we just knew we were having fun



Calories don't count on weekends



Kya !!! ATM mein paise aaya!!



Smile, happiness looks gorgeous on you



Praveen ka sang gal



Kaale Megha Kaale Megha Paani to barsao



Ab Mummy ko kya boloon



Pati Patni Aur Vo.... dka



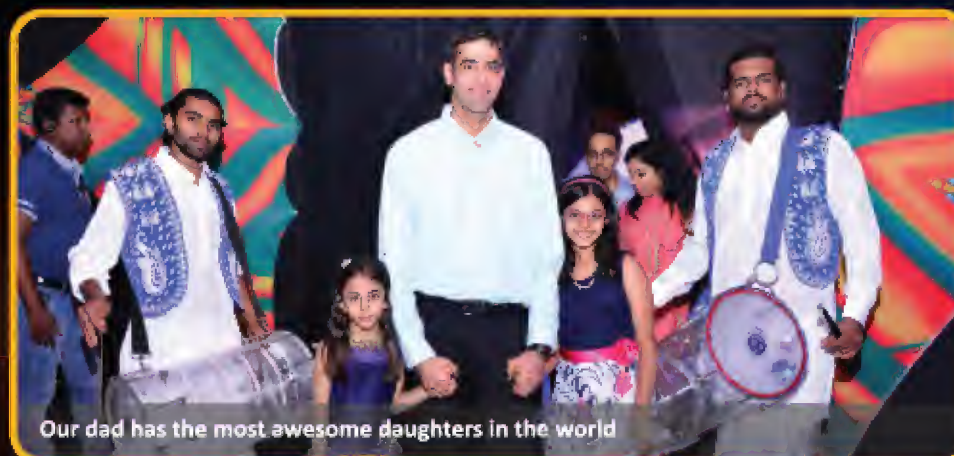
Dance pe Chance marle



Mujse Dosti Karoge



Kabhi kabhi jeetne ke liye kuch haarna bhi padta hai ... aur haar kar jeetne waale ko baazigar kehte hai



Our dad has the most awesome daughters in the world



Sau ka note Wow dikha... dikha!!



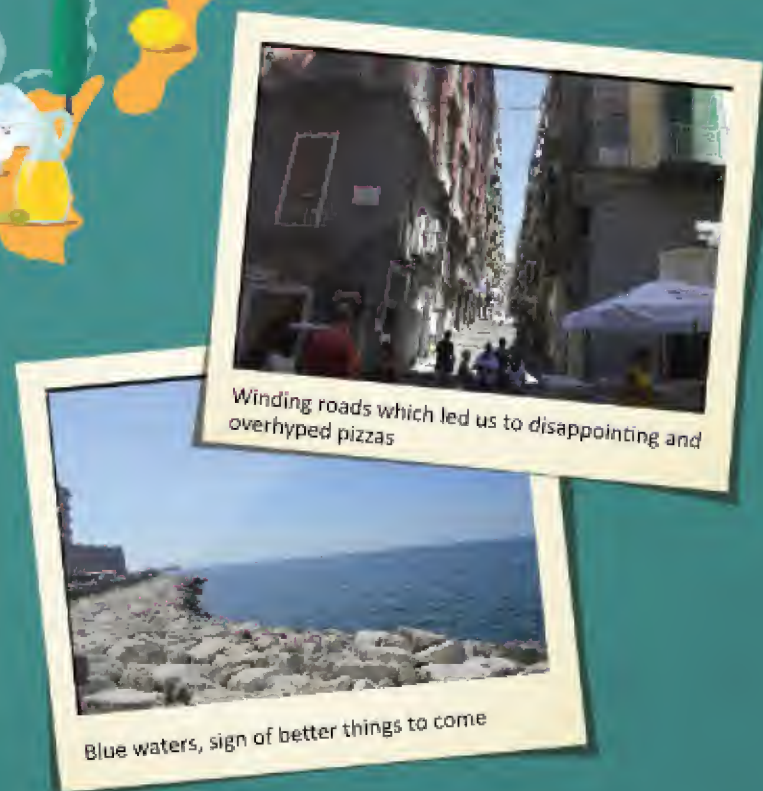
## Pre-planning

I've always envied folks who are able to plan their vacations months in advance thanks to their sorted lives. They have itineraries and checklists in place, and sometimes, they even have checklists for the checklists. But what's life if not lived a little dangerously, or in my case a trip planned so well that you end up with 2 euros on the last day of the trip between R&R. Maybe it was a sign of things to follow.



R&R:  
A trip  
planned

By Romita Munshi



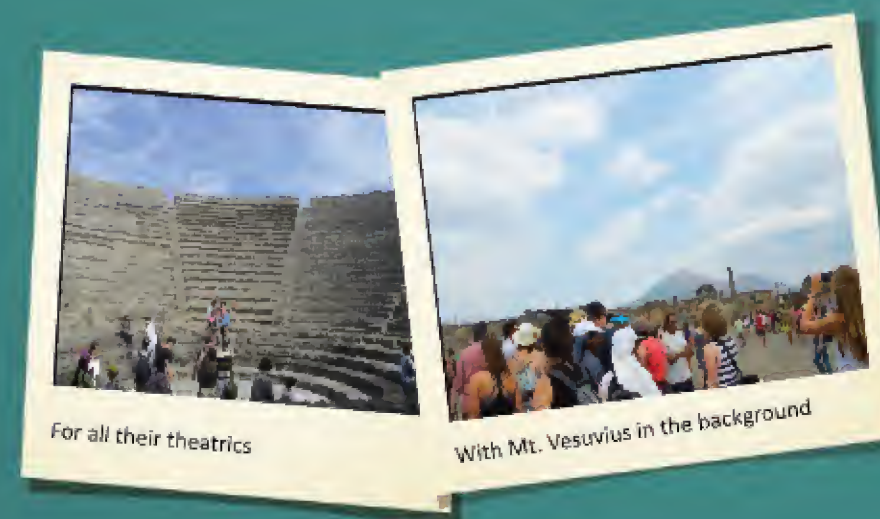
## Disappointed gluttons

Everyone has heard of the “Oh so famous” Napolitan Pizza. The movie, “Eat, Pray, Love” immortalized it, countless Buzzfeed lists have praised it as one of the greatest wonders of the world, and poets have written poems about it. Well, I finally sampled it, and I don’t think I have been this disappointed with life since I learnt that they actually used moong instead of aloo in pani puri in Mumbai.



*Lovely beaches and  
upset budgets*

Our first trip across the Amalfi coast ended at Positano once I discovered the lovely pebbled beach and the clear water, and my friend discovered the sunbeds. On the way, we witnessed a beautiful sunset from Franco's bar and bought a blue dress from a linen shop (which pretty much upset my budget for the trip).



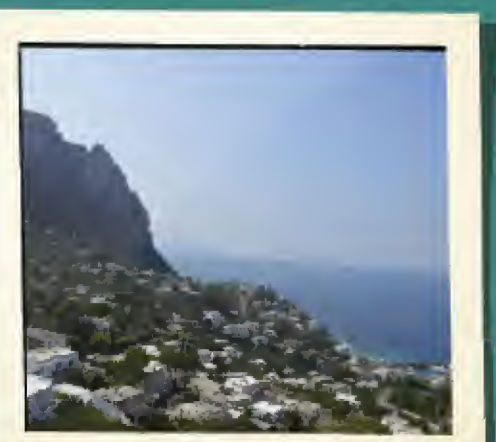
*Pompeii - Plans in ruins*

With excited hearts and unhappy stomachs, we made our way to the world famous ruins of Pompeii. The stormy weather, however, cast a gloom on our plans to scale Mount Vesuvius.

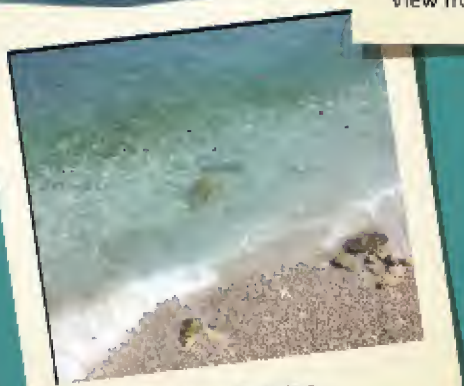




Port



View from Anacapri



Cold waters for swimming

### Capri - Expensive sandals

Our next stop was Capri, where I made my friend run around the island in search of inexpensive famous Capri sandals. I realized I would have better luck finding them in Colaba Causeway as all my haggling tactics failed against the stone-faced Italian cobblers.

## Catania / Sicily Land of the Godfather

We were completely exhausted by the time we arrived in Sicily- the land of the mafia. Incorrect directions caused us to drift from one corner of the city to another until we finally landed up in a deserted section of the society. However, appearances are deceptive in Sicily.

After landing up in Sicily, my friend unfortunately developed an upset stomach. We searched high and low for curd rice for her, and guess who came to our rescue? A bunch of kind and sweet Bangladeshi Immigrants. We not only got curd rice, but also very tasty Begun Bhaja.



Way too sweet Cannoli



Town center



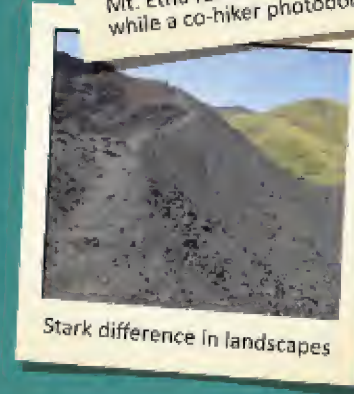
Melanzana or Big Baingan



View from the room



Mt. Etna fumes in the background while a co-hiker photobombs



Stark difference in landscapes



In the land of Star Wars

### Mount Etna: Land of Star Wars

Word to the wise: Don't attempt to climb a volcano when you are unfit and have vertigo. And avoid it like the plague if you have an extremely fit guide. Huffing and puffing (and grumbling), we reached the top and peeked into one of the eruption sites. Considering how much the guide had built it up for us, we found it a little disappointing.



Ice cold water at Alcantara

### Cold Water

Here, I'm not referring to the DJ Lazer song, but to the Ice cold water of Alcantara. Another (dangerous) climb. The guides must've gotten us confused with someone else to have made us do all that climbing. At the end of it, however, he did reward us with the loveliest espresso at the Italian version of a roadside dhaba



Faraglioni at Aci Trezza



Glutton for life

### Cancelled sailing tour

On arriving in Catania, we learnt that our sailing trip had been cancelled. Being the enterprising girls that we were, we decided to go to the place by ourselves. We continued being gluttons by feasting on some lovely lobsters and pasta.

### Cefalu: More beachtime

After arriving in Palermo and meeting our rather quirky B&B host, we left immediately for Cefalu. A picturesque seaside town with the quaintest shops. One of the shop owners even gifted me a cute handmade postcard.

### A happy Sri Lankan last supper

After returning from Cefalu, we enjoyed a spicy Sri Lankan dinner complete with mutton curry, dal and rice.



More beach fun



## TODI MILL SOCIAL

### What to order:

**Food** – Chakna by tiffin, Mutton ghee roast, Death Wings, Chussa 69, China Box

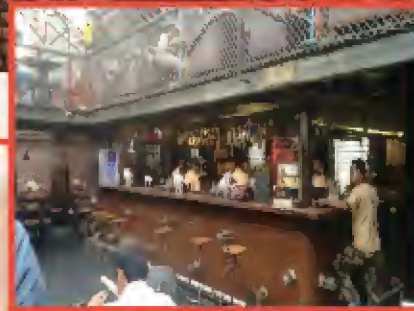
**Drinks** – Classic LLIT, Bob's Bomb, Todicola. Quarter system available

**Cost** – Appx INR 3000 for 2 people

**Happy Hours & Special Deals** – Mon & Tue (Happy Hours), Sunday Brunch & Khamba system (Special pricing)

**Special Nights** – TBA (They have live concerts & standup comedy shows)

**Location** – Todi Mills



The Bar Stock Exchange

20:32 Showing 18 of 122

SPRIT	PRICE	TODAY'S LOW	TODAY'S HIGH	TREND
BUD MAGNUM	131	110	131	↑
CORONA EXTRA	330	300	343	↓
KALTENBERG BEER	145	128	145	↑
MILLER ACE BEER	122	110	126	↓
MILLER HIGH LIFE	137	80	137	↑
PAULANER	309	309	321	↓
BREEZER	158	100	158	↑
XXX VODKA MIX	100	100	104	↓
FERRARI BY GLASS	374	360	374	↑

SANGRIA ₹ 274 ↑ SIGNATURE ₹ 90 ↓ SMIRNOFF ₹ 114 ↑ SMIRNOFF BLACK ₹ 166 ↓



## THE BAR STOCK EXCHANGE

### What to order:

**Food** – Stuffed Baked Mushrooms, Pizza's, The Undertaker Wings

**Drinks** – Jager Bombs are cheap when you are early. Wide range of alcohol with fluctuating prices. Quarter system available

**Cost** – Appx INR 1500 for 2 people

**Tips** – Bottle of Chivas for INR 5500 & Bucket of beer (5 pints) for INR 500. For these 2 deals old notes are accepted

**Location** – Kamala Mills Compound

# WATERING HOLES

## AROUND AMBIT

By Sudeep Pai & Pranav Desai



## PLEASE DON'T TELL

### What to order:

**Food** – Chicks on sticks, Street Secret (Mini wada pav)

**Drinks** – Stormtrooper, Puzzle Guzzle

**Cost** – Appx INR 2500 for 2 people

**Happy Hours** – 6 PM to 10 PM (Sun-Thur), 6 PM to 9 PM (Fri-Sat)

**Special Nights** – Retro hip hop (Saturday), Friday Special

**Location** – Kamala Mills Compound



## IRISH HOUSE

### What to order:

**Food** – Grande nachos, Hummus platter

**Drinks** – Bira 91 White, The Headbanger

**Cost** – Appx INR 2000 for 2 people

**Happy Hours** – 5 PM to 8 PM all days

**Special Nights** – Tuesday (karaoke)

**Location** – Phoenix Mall







## AMBIENCE BAR & KITCHEN

### What to order:

**Food** – Paneer Pahadi Tikka, Murgh Lasuni Tikka, Palak Khichdi

**Drinks** – As Shetty Bar as it gets

**Cost** – INR 1500 for 2 people

**Happy Hours** – Everyday, 12PM to 5:45PM

**Special Nights** – Bollywood Night (Friday), Ladies Night (Thursday)

**Location** – Do you really need to ask!!! Reeeally!!!



WATERING HOLES	FOOD	MUSIC	CROWD	VFMI	SCORE
TODI SOCIALS	3.5	3.5	4.0	3.5	14.5
PDT	3.5	2.5	3.5	4.0	13.5
BSE	4.0	4.5	4.5	4.5	17.5
IRISH HOUSE	2.5	4.0	4.0	3.0	13.5
AMBIENCE	3.0	2.0	1.0	2.5	8.5

## RATING SUMMARY

Rating On Scale of 1 to 5, 1 being the lowest & 5 the highest.

Scoring would be in the range of 4-20, 4 being the lowest & 20 the highest.

VFMI – Value for money index

\* We are awaiting data on special deals for Ambit employees from few of the above mentioned outlets. Would share the same later.

## THE ABSENT PRESENCE

By Nishat Vakil

It was her first day at work. First after the long break she had taken for her complicated pregnancy followed by delivery. She called it a pause, a good long pause in the rhythm of her career. All notes had changed ever since. She was dancing to this new melody joyously and much faster than expected. Her eyes opened automatically at dawn, much before her alarm could ring. There was excitement within her and a little nervousness too. She was questioning herself whether she'll be able to make it after this gap? But one thing she was damn sure about, there will be no looking back from here.

So up she rose and began her prayers, followed by the household chores she had to wind up before leaving. And then she got all ready to leave on her scooter, she felt like she has again jumped into this big pool of people just running helter-skelter for bread. She was racing the wind, a little hitch in the beginning to get the balance on the wheels, followed by smooth long drive. Her work place was quite far from home. But she had no choice. Not everyone was as considerate as her present employer to allow her part time work until she could settle things at home. This was the reason her husband had agreed. As usual she kept chanting prayers on her way to work until finally she reached. This was a temporary make shift office for her till her boss could settle things a bit and they would take an office of their own. It was his new venture. So they were in this small but decent cabin of another sister concern of their organisation. At first she stumbled but her confidence had not fully died. She looked here and there trying to get acquainted with the place. There was not much extra furniture but only that which was necessary - A computer table, a desktop and an executive chair. Apart from a few cartons of God knows what items for the upcoming firm they were working for.

A tall man in his late 50s entered the cabin. She had just turned on the system. She looked up at him for a moment, looked back at the monitor but unable to believe what she had seen, she quickly turned her gaze back at him. Exactly the same face, same built. He had white beard, white hair, a bit of receding hairline with that zebibah on his forehead. That same straight nose with big eyes on a fair reddish complexion and a similar smile. He had worn a well ironed checker shirt (which was not tucked in) and a contrast dark shade trouser. All this with a skull cap. He was probably a cleaner here. This she could guess from the piece of cloth over his shoulder. She thought she saw her father again. But how could something like this happen? She kept looking and steal as many glances as possible of this old man. She wanted to hear him speak. Could he have come back from heaven? could his voice match with that of papa's too? Multiple questions started playing on her mind. Things started blurring out due to moisture in her eyes. She opened her mouth to start a conversation but choked. Her hand shivered as she picked up her water bottle to drink a sip of water. But she quickly gathered the guts to speak. In local language she asked, "Excuse me? You?". There was silence for a moment. But this moment seemed like ages as she waited for a reply. Actually she just wanted to hear his voice, not necessarily as a reply! However, destiny had a different plan. He spoke in sign language indicating that he was speech impaired. Through his actions he told her that he had come to clean her cabin. "I have never seen you before, are you new?" he enquired. To which she nodded a Yes. So he gave her blessings through some more actions with his hands. For a while she felt as if her father had come back. And then the man left.

She went home at the end of the day, waiting to get back to work the next morning. She had not discussed about the cleaning man with anyone. The ride next day was seemed even longer as she yearned to meet him, to see him again. But to her surprise he didn't turn up today. So she asked the other staff if he was on leave. "Who?" they asked. She tried explaining them several times about him, but nobody seemed to know this chap. After a lot of verification and counter checking with different staff members in different duty hours she gave up. Her mind had accepted there was no such employee but her heart disagreed. Her blood ran cold. Fear and shock filled her up as she began to ponder over what had happened and why it had happened. Was it God's way of giving her a last look?

In loving memory of my dad, Late Mr. Riyaz Ali Vakil





## PUZZLE NO. 1

There are 5 ships in a port.

- The Indian ship leaves at six and carries coffee.
- The ship in the middle has a black chimney.
- The English ship leaves at nine.
- The French ship with a blue chimney is to the left of a ship that carries coffee.
- To the right of the ship carrying cocoa is a ship going to Marseille.
- The Australian ship is heading for Manila.
- Next to the ship carrying rice is a ship with a green chimney.
- A ship going to Genoa leaves at five.
- The Spanish ship leaves at seven and is to the right of the ship going to Marseille.
- The ship with a red chimney goes to Hamburg.
- Next to the ship leaving at seven is a ship with a white chimney.
- The ship on the border carries corn.
- The ship with a black chimney leaves at eight.
- The ship carrying corn is anchored next to the ship carrying rice.
- The ship to Hamburg leaves at six.

Which ship goes to Port Said?  
Which ship carries tea?

In the eight edition of the Ambit Puzzler, we have tried to make it more challenging. As usual we present two puzzles - but this time the reward is bigger than usual. Correct entries will receive a gift voucher of ₹2,000/-. There will be three prizes for each puzzles. Winners will be selected on the basis of fully correct entries and lucky draw of the fully correct entries - to ensure that there are no biases. You can scan and send your entries to [editorialcouncil@ambit.co](mailto:editorialcouncil@ambit.co) on or before 13th January 2017.



## PUZZLE NO. 2

Name the movie in which these famous dialogues were used and find them in the grid

A	S	H	L	R	O	T	A	N	I	M	R	E	T	S
B	R	A	W	E	E	D	O	R	K	U	E	M	X	S
U	A	H	E	V	E	W	N	M	A	N	H	T	T	T
I	N	S	T	A	E	I	Y	U	O	N	S	R	E	A
P	G	N	R	R	D	G	O	N	C	A	G	A	W	R
A	A	E	B	H	Z	A	B	T	E	B	P	E	K	W
Y	E	H	E	T	G	V	N	A	J	H	O	H	E	A
N	N	A	H	C	I	I	Q	B	S	A	A	E	F	R
U	R	H	L	X	E	O	Z	H	E	I	L	V	H	S
T	G	S	J	O	T	U	C	A	U	M	K	A	E	I
E	O	E	Q	R	L	A	I	I	A	B	F	R	T	X
A	L	E	E	G	N	A	R	Y	S	B	Z	B	A	K
J	A	M	D	I	Y	Y	R	O	T	S	Y	O	T	M
G	O	N	E	W	I	T	H	T	H	E	W	I	N	D
E	I	G	A	Z	F	R	Q	A	D	P	V	A	W	I

- Mere paas, mere paas... Maa hai...
- Uska to na bad luck hi kharab hai
- Kabhi kabhi kuch jeetne ke liye kuch harna bhi padta hai, aur haar kar jeetnay wale ko....
- Tension lene ka nahin, sirf dene ka
- Rishte mein to hum tumhare baap lagte hain, naam hai...
- I'll be back
- They may take our lives, but they'll never take our freedom!
- May the Force be with you
- Frankly, my dear, I don't give a damn
- To infinity and beyond!







# No Laughing Matter



Gabbar:  
Kitne admi the?  
Kalia:  
Sirf do admi, Sardar.  
Gabbar dropped  
everything and  
ran to the ATM.



Real Estate  
agent ka latest...  
"Sir ekdum  
ATM facing hai"

Now we have  
our own new Indian calendar,  
starting 8<sup>th</sup> November 2016.  
BC - Before Currency  
AD - After Demonetization



Client asks his CA:  
I have deposited  
5 lakhs in wife's  
account. Are you sure  
IT people will arrest  
my wife or should I  
deposit more???



₹2000/- Is like  
your spouse, while  
bringing you feel very  
happy. But later you  
realize you  
cannot  
exchange.



## CINEMA

Cheque  
De India

Cash Me  
If You Can

Mission  
Cash-Mir

Blackmoney  
Bhaijaan

Ye  
Withdrawal  
hai Mushkil

Kabhi Card,  
Kabhi Cash

Hum  
Demonetize  
Ho Chuke  
Sanam



## DOODLE PAGE



# WHAT SETS US APART IS THE INDEPENDENCE OF OUR VIEWS.

Ambit Capital voted as India's  
**Most Independent Broker** in the  
**ASIAMONEY** Brokers Poll 2016.



- Most Independent Broker
- Best Strategy team
- Best Roadshows and Company visits
- Best Strategist
- Best Small Caps team
- Most Improved Broker, 5<sup>th</sup> year in a row

INSTITUTIONAL EQUITIES  
EQUITY CAPITAL MARKETS  
CORPORATE FINANCE  
ASSET MANAGEMENT

PRIVATE WEALTH  
STRUCTURED FINANCE  
PRINCIPAL INVESTMENT  
PRIVATE EQUITY



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